

Message Text

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14

ACTION EB-07

INFO OCT-01 EUR-12 EA-06 ISO-00 CAB-02 CIAE-00 COME-00

DODE-00 DOTE-00 INR-07 NSAE-00 FAA-00 L-02 TRSE-00

FEA-01 /038 W

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R 080740Z MAY 75

FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC 5675

INFO AMEMBASSY LONDON

AMCONSUL MELBOURNE

LIMITED OFFICIAL USE CANBERRA 2905

LONDON PASS DEPUTY ASSISTANT SECRETARY WALDMANN

E.O. 11652: N/A

TAGS: EAIR, ETRN, ENRG, AS

SUBJ: CIVAIR - AVIATION FUEL PRICES

REF: (A) STATE 102500 (NOTAL); (B) CANBERRA 2550; (C)

STATE 099790 (NOTAL)

1. E/C COUNSELOR CALLED ON MAY 8 ON TOWNSEND, DEPUTY SECRETARY, DEPARTMENT OF MINERALS AND ENERGY, IN ABSENCE OF THE SECRETARY, SIR LENOX HEWITT, TO DISCUSS AVIATION FUEL PROBLEM AND PRESENT AIDE-MEMOIRE PER REF (A).

2. TOWNSEND, ACCOMPANIED BY BRANIFF, ASSISTANT SECRETARY RESPONSIBLE FOR AVIATION FUEL MATTERS, INDICATED THEY UNABLE FURNISH ANY IMMEDIATE REACTION BUT ON REQUEST PROMISED RESPONSE AT LATER DATE.

3. IN ENSUING DISCUSSION TOWNSEND EMPHASIZED GOA POLICY HAD NO DISCRIMINATORY INTENT AND WAS PURELY ONE OF INSURING WORLD PRICE FOR FUEL DELIVERIES TO INTERNATIONAL
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CARRIERS, AS RAPIDLY AS EXPIRATION DATE INDIVIDUAL CONTRACTS

PERMITTED. HIS GENERAL LINE WAS THAT ANY DISADVANTAGE TO INDIVIDUAL CARRIERS WAS UNAVOIDABLE AND TEMPORARY RESULT OF VARYING DURATIONS CONTRACTS NOW IN FORCE. SUGGESTED ANALOGY TO GOA SURVEILLANCE OF COAL EXPORT PRICE CONTRACTS AND ANOMALIES ARISING OUT OF EXISTENCE OF LONG-TERM COAL CONTRACTS.

4. WE RESPONDED THAT WE RECOGNIZED GOA INTENT NOT PRIMARILY DISCRIMINATION BUT THAT KEY QUESTION WAS WHETHER SIGNIFICANT DE FACTO DISADVANTAGE OF DISCRIMINATION RESULTED FROM GOVERNMENT INTERVENTION IN COMMERCIAL PRICE SETTING OPERATION. WE SUGGESTED THAT IF ANY SIGNIFICANT PRICE DIFFERENTIAL FOR ANY SIGNIFICANT TIME PERIOD RESULTED TO DISADVANTAGE AMERICAN FLAG CARRIER AS RESULT GOA OFFICIAL POLICY THIS WOULD HAVE TO BE MATTER OF CONCERN. WE CLOSED BY STRESSING SERIOUS FINANCIAL DIFFICULTIES FACING PANAM, INTENSE U.S. OFFICIAL AND PUBLIC INTEREST IN ANY DISADVANTAGES CREATED BY OFFICIAL ACTIONS ABROAD WITH DISCRIMINATORY IMPACT AND IMPORTANCE WE ATTACHED TO ADVISING GOA FULLY IN ADVANCE OF THIS CONCERN IN ORDER MINIMIZE POSSIBILITY NEW PROBLEMS MIGHT INADVERTENTLY ARISE IN CIVIL AVIATION FIELD.

5. FYI, LATER IN DAY E/C COUNSELOR CALLED ON HALTON, SECRETARY, DEPARTMENT OF TRANSPORT, TO PRESENT AIDE-MEMOIRE ON TANKER PREFERENCE ISSUE (REF C). DURING VISIT WE PRESENTED HALTON COURTESY COPY OF AVIATION FUEL AIDE-MEMOIRE EARLIER DELIVERED DEPARTMENT OF MINERALS AND ENERGY. HALTON READ IT WITH INTEREST. HIS ONLY COMMENT WAS THAT IT DID NOT SURPRISE HIM.

6. COURTESY COPY OF AIDE-MEMOIRE ON AVIATION FUEL PRICING SUBSEQUENTLY DELIVERED TO HUMPHREYS, ASSISTANT SECRETARY, ECONOMIC POLICY, DEPARTMENT OF FOREIGN AFFAIRS. HUMPHREYS PROMISED DFA WOULD STUDY MATTER BUT OFFERED NO SIGNIFICANT SUBSTANTIVE COMMENT. GREEN

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